

TOWNSHIP OF LOWER MAKEFIELD  
BOARD OF SUPERVISORS  
SPECIAL BUDGET MEETING MINUTES – NOVEMBER 27, 2007

A special meeting of the Board of Supervisors of the Township of Lower Makefield was held in the Municipal Building on November 27, 2007. Chairman Smith called the meeting to order at 6:00 p.m.

Those present:                    Steve Santarsiero, Secretary/Treasurer  
   Ron Smith, Chairman  
   Greg Caiola, Vice-Chairman  
   Grace Godshalk Supervisor  
   Pete Stainthorpe, Supervisor

Others:                                Terry Fedorchak, Township Manager  
   Brian McCloskey, Finance Director  
   Chief Kenneth Coluzzi  
   Matt Maloney  
   Ethan Shiller, Citizens Budget Advisory Committee  
   Sue Herman, Resident

Mr. McCloskey stated he revised the numbers in the budget based on prior budget meeting discussions.

He asked the Board to refer to page 3 of the General Fund summary of the. He stated he worked out the three scenarios he and Mr. Fedorchak discussed at the last meeting that could be taken into consideration in 2008 and would explain those scenarios. Mr. McCloskey stated he plugged the expected Polo Run transfer tax revenue into the budget and scaled back on the Committee's budgets.

He stated the first scenario would be no tax increase in 2008 which would leave a deficit in the budget, the second scenario would be a 2 mil increase also leaving a deficit and the third scenario would be a 3 mil increase which would bring the budget as close to a balanced budget as it could get with a cash balance.

Mr. McCloskey stated he also provided updated budget numbers with only a 2 mil increase to the General Fund. He stated he increased the transfer tax budget to \$1,400,000 in 2008 because Lower Makefield Township is still pacing ahead of other Township's in transfer taxes. He stated there is still a budget deficiency of \$360,000 that would put the Township below the safe harbor range which should be 5% to 7% of the total budget. Mr. Smith stated he does not like that the Township will be outside the safe harbor range.

Mr. Stainthorpe stated if we are at a \$360,000 budget deficit on a 2 mil increase we may have to make further budget cuts. Mr. Fedorchak stated the Township budget needs to be up \$100,000 to be in the safe harbor range.

Mrs. Godshalk suggested the Township could cut the \$150,000 interest payment the Township pays in debt service at Patterson Farm by selling the houses to private owners at public bid with a small area carved out around the houses and place deed restriction on the houses. Selling the houses would add a substantial amount of revenue to the General Fund.

The Board talked about potential revenue by imposing an employment tax on all people who work in Lower Makefield Township. Mr. Fedorchak stated he thought that tax would bring in possible revenue of \$200,000 per year and he would check into it. Mr. Smith stated he thinks it is a legitimate tax or fee that would increase Township revenue. Mr. Santarsiero stated one goal right now is to get the Township into the safe harbor range and the second goal would be to balance the budget.

Mr. Smith stated he is confident the Board can go through the budget and make cuts to get the budget where it should be to find a safe harbor range. Mr. Stainthorpe stated the Township traditionally budgets high and asked if we could budget the actual amount that we spend to get the budget into the safe harbor range. Mr. McCloskey stated the Township bases its budget on a five year history of expenses and he created the 2008 budget according to that. Mr. Schiller suggested the Board could save a quick \$50,000 by allowing the Township basins to go natural as the EAC has proposed rather than mowing them.

Mr. Fedorchak stated if the Board wishes to cut \$100,000 from the budget he and Mr. McCloskey could go over the budget and make cuts. Mr. Stainthorpe once again suggested going to the department heads and asking them to cut their expenses. He stated we may need to look more closely at their operations and cut staff. Mr. Maloney stated if we cut staff and people have to do two jobs they will become unhappy and the Township residents will not get the service they expect.

Mr. Fedorchak suggested he could also go through the budget and defer expenses from 2008 to 2009. Mr. Maloney stated the risk of deferring costs means that expenses will go up more in 2009 than expected. Mr. Smith stated we need to enhance Township revenue in the long-term. The Board revisited the discussion on imposing an employment/emergency service tax.

Mr. Fedorchak reviewed how many total full-time and part-time employees work for the Township. He explained how he and Mr. McCloskey arrive at the budget they present to the Board by individually meeting with all of the department heads on several occasions after they have submitted their budgets to make cuts or defer expenses.

Mr. Santarsiero stated he hears from Mr. Fedorchak that we can cut \$100,000 to get into a safe harbor range but to make further cuts to balance the budget is not good practice for the Township. Mr. Maloney asked if the budget can be cut by \$100,000 he would like to know what was deferred and what are the actual cuts. The Board looked at certain department budgets to make possible cuts.

Mr. Schiller stated in the 2007 budget there are items that don't reach their expected budgeted amount and asked why the Township budgets the same amount for 2008. Mr. Schiller gave the example in Park & Recreation where it did not reach its budget by 30% in 2007 but the budget amount is staying is the same in 2008.

Mr. Fedorchak stated he would remove \$100,000 from the expenditure side of the budget and would talk with Bruckheimer about the possibility of imposing an employment tax for the budget presentation at the December 5<sup>th</sup> Board of Supervisors meeting. Mr. Smith suggested telling the public about the tax increase but justify the increase with the hiring of the three new police officers and present a PowerPoint presentation to that affect. Mr. Fedorchak stated he would give a verbal overview of the 2008 budget at the November 28<sup>th</sup> meeting and could possibly present a PowerPoint presentation at the December 5<sup>th</sup> meeting.

Mr. McCloskey stated to balance the Debt Service Fund he would have to put money into that fund to balance by ultimately deferring money from one year to the next.

Mr. Smith asked how much debt service was paid in 2007. Mr. McCloskey stated \$1,200,000 was paid in principal and \$700,000 was paid in interest in 2007. Mr. Stainthorpe asked if it is time to refinance the golf course bonds and financing. Mr. Fedorchak stated he would talk with Mr. Gordon Walker about possibly refinancing the debt.

Mr. Maloney asked where the \$80,000 to be received from recycling would be put into the budget. Mr. Fedorchak stated he would contact Bucks County and ask when the Township should receive the recycling money payment.

Mr. Smith talked further about how the Board should present to the 2008 budget and tax increase to the public at the December 5<sup>th</sup> meeting.

The meeting was adjourned at 7:30 p.m.

Respectfully Submitted,



Greg Caiola, Secretary

STEVEN J. SANTARISIERO

